

*The Financial World.*

in a little sense. In many quarters, in many

What may be regarded as of exceptional importance is in the outspoken declaration of Thomas W. Lawson that he is with associates of financial consequence committed to a better

ment campaign. Of course, we are going to be treated to a vast deal of witticism and sneers as to what Lawson stands for, what he can accomplish, the intentions and integrity of him. But comment and criticism of sort like this will not affect the judgment of fair-minded residents.

of the security market situation through the last thirty months—will not, moreover, be likely to qualify the execution of plans with Mr. Lawson declares arranged. When Lawson appeared as the original critic in severity against the conduct of the great insurance companies he was the jest of Wall Street; when later his

grew still bitter toward him. When he began to schedule the assets and characterize the delinquencies of the Copper Trust, there were laughs for his industry; when by proofs he made good many of the grave things he charged, there was Stock Exchange denunciation offered for reward. And so through the record of a

What this man wrote had often savage injustice in it—undoubtedly. But, somehow, stock

market quotations finally followed the line which his prophecies foretold. The bear, the guerrilla, the bushwhacker, made good—measured by quotations lower and lower going. Nowhere won he a friend. Everywhere accumulated enmity. It was difficult—virtually impossible—to obtain anywhere in Wall Street within recent days any hearing for any Lawson proposition. He was bad. Universal was this Stock Ex-

Viewed just psychologically exceptional interest centers therefore in this new Lawson entree as bull, upholder of values, prophet of improvement. Perhaps it is not curious that they who assailed his cynicism and assaults two years back are assailants still--no more gratified by his cheerful optimism than they were ex-

—still just from the psychology standpoint—the exhibit has consequence. In his original onslaughts Mr. Lawson, so far as any of us could detect, stood alone—stood for vengeance of a

private wrong, which he could feel was expandable into a public wrong. In this new campaign that is planned the undertaking is not by Lawson alone, but by Lawson the representative of what he himself describes as capitalistic "assum-

ciates." The new Lawson gospel is that following the exposure of corporation mismanagement there has come into operation (largely through the force of President Roosevelt) new responsibilities and new obligations to corporation

management whose net result is the delivering of profits to those who own railway securities as against the old fashion of looting for "managers" inimical to actual owners. Mr Lawson urges that both here and abroad speculative holdings of stocks have, moreover, so diminished that now as never before shares and bonds are owned outright, that stock holding is no longer the speculative target that formerly it was, that there is thus an incomparable public buying and absorption power far beyond any past precedent. This buying power, in his view, must be impressed by the fact that where of old there was

And—whatsoever may be the jests and the fibes or even bitter animadversions—the result in my opinion is likely to show quickly that to-

Among encouraging features of the week nothing stands out more prominently than per-

shares of the United States Steel Corporation. Upward movement in the common stock is accompanied by rumors of an approaching increase in the dividend. This is just conjecture. It may

on hand the Corporation may defer commencement of the stock dividend increase, following the policy usually followed by this time assumed of paying outright for that magnificent addition to its plant instead of issuing

ing new securities. Let it be assumed that there is no dividend increase—how stand the facts? The earnings of the Corporation provide for fixed charges and preferred dividends beyond the peradventure of a doubt and leave a surplus on hand estimated as from 12 to 15 per cent actually earned for the common stock. Now whether some portion of this surplus be distributed in the shape of dividends to the common stockholders or whether it still be used for

Gary plant construction is not of any great moment. In the one event common stockholders would get a little more immediate revenue—in the other event they virtually become the proprietors of an immense manufacturing plant.

with earning power not yet measurable. And aside from all these considerations take the present position of Steel Common. It pays 2 per cent. per annum on par value; at 38 it yields an

5 per cent.—while as a speculative proposition it presents literally dazzling opportunities. If the steel business is to maintain present prosperous levels—and there is not the faintest sign of any diminution for an indeterminate period—then it infallibly follows that sooner or later the common stock must inherit every dollar of that surplus revenue over and above the requirements of fixed charges and preferred dividends. It is

United States Realty is about to receive another quarterly dividend of 1½ per cent—the

clared for the year. With the return of Mr. James Stillman and Mr. H. H. Rogers from Europe this stock ought to begin to command in the market something like the intrinsic value it represents—20 or 30 points above where it is now selling. Paying 6 per cent., it is earning 12

In United States Rubber there will soon be shown the influence of the tremendous increase of net profits which are showing. During the three months of the fiscal year output is increased 40 per cent. and profits are over 50 per cent. increased. Dividends upon Rubber common can be counted among early certainties.

In mining an awakening is due, for while Wall Street has been neglectful mining development has actively proceeded. Watch the Heinze stocks. Back of every one of them is worth, experience, integrity.

H. ALLAWAY